

Date: February 5, 2013

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Daniel M. Curia, Fire Chief
Subject: Contracts for Fire Based Inspections Billing and Collections Services, Reporting, and Asset Management Software

EXECUTIVE SUMMARY

The Fire Department's Fire Prevention Division is not currently automated. By implementing a new software program for the department and moving fire inspectors to a technology based system, the time required to complete a fire inspection will decrease, increasing productivity within the division. Automating the division will also move the Fire Prevention Division closer to its adopted goal of annual inspections for all businesses. As a component of this initiative, the billing and collections component of the division's activities will be outsourced to a third party vendor. The move will allow the department to reduce postage and duplication costs. This move will also remove from the Finance Department the burden of tracking delinquent accounts.

Within all divisions of the department, personnel will be moved to an industry-standard software system that will allow sharing and tracking of information. Personnel will be able to enter training records, track inventory, record OSHA-required equipment checks, and enter emergency incident reports for fire and medical calls. All information will be tied together to allow for ease of tracking and interoperability. With a move to a new system, the software will be designed to easily extract information and is aligned with information needed to maintain the department's accreditation.

This program was approved in FY2013 as a new initiative funded within target.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute a two year contract with Fire Recovery USA for Fire Based Inspections billing and collections services, software, and associated equipment in the amount of \$263,584.

Staff also recommends that the City Council authorize the City Manager to execute a two year contract with ACS Government Systems for Reporting, Inspections and Asset Management Software (FireHouse) in the amount of \$118,580.

BACKGROUND

The Fire Department's Fire Prevention Division is not automated. Currently, the inspectors hand-write their reports for each business they inspect. Approximately 6,800 inspections

were completed in FY2012. The inspectors then bring paperwork back to an administrative assistant, who has the task of manually entering the daily reports generated by eight fire inspectors. By implementing a new software program for the department and moving the fire inspectors to a technology based system, the time required to complete a fire inspection will decrease and is estimated to increase productivity thirty percent. Additionally, the Fire Department has adopted an annual fire inspection schedule for each business in Durham, which is more stringent than the North Carolina state schedule. It is recognized that the Prevention Division is not efficient enough to maintain the set schedule, which translates to businesses being inspected outside the adopted schedule. A move to automate the division will also move the Fire Prevention Division closer to its adopted goal of annual inspections for all businesses. As a component of this initiative, the permit billing, collections, and mailing component of the division's activities will be outsourced to a third party vendor. The move will allow the department to reduce administrative, postage, and copying costs. This move will also remove the burden of tracking delinquent accounts from the Finance Department.

Within all divisions of the department, personnel will be moved to an industry-standard software system that will allow sharing and tracking of information. Personnel will be able to enter training records, track inventory, record OSHA-required equipment checks, and enter emergency incident reports for fire and medical calls. All information will be tied together to allow for ease of tracking and interoperability. A limitation of the current records management system is the inability of the activities of the Fire Prevention Division to be integrated into the remainder of the department. With a move to a new system, the software will be designed to easily extract information and is aligned with information needed to maintain the department's accreditation.

ISSUES AND ANALYSIS

On July 18, 2012 a Request For Proposals was posted to the City of Durham Website. One sealed bid was opened on August 2, 2012. The bidder from California was not present.

The following is a summary of bids received for Fire Based Inspections, Reporting, and Asset Management Software:

- | | |
|---------------------------|-----------|
| 1. Fire Recovery USA, LLC | \$382,164 |
|---------------------------|-----------|

The proposal from Fire Recovery USA, LLC was reviewed by Chief Curia and Assistant Chief Iannuzzi and found to meet the criteria of the RFP and the needs of the department.

ALTERNATIVES

The alternative to this recommendation is to continue using paper inspection forms, paper billing, and current Fire/EMS reporting software. While the department can provide service in this manner, this alternative will hinder Fire Department efforts of continuous process improvement. Additionally, this alternative will hinder efforts to reach several stated strategic initiatives.

FINANCIAL IMPACT

This is a two year contract that would begin in April 2013 and continue through March 2015. Because this contract spans two calendar years, funding is divided into three fiscal years. Estimated payments based on current inspection activity are detailed below:

- Total FY13 \$70,062 (April 2013 through June 2013)

- Total FY14 \$207,005 (July 2013 through June 2014)
- Total FY15 \$118,824 (July 2014 through March 2015)

The contract amount includes the cost of all servicing fees, software, equipment, and related equipment fees over the two year period. The financial impact summary above totals \$13,727 more than the bid proposal. The difference is due to the bid assumption of 6,800 inspections annually. Inspections have increased to approximately 7,500 inspections annually which was used as the basis for the financial impact analysis.

The Fire Department will pay for this initiative within target due to the July 1, 2012 Inspection Fee increase which is expected to increase billed inspections by approximately \$225,000 annually. Additionally, the department expects an increase in fee revenue of \$190,000 to \$285,000 annually due to increased efficiency after full implementation. Full implementation is expected to occur around June 1, 2013, approximately 60 days after the contract is signed.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by Fire Recovery USA, LLC of Roseville, California to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. It was determined that Fire Recovery USA, LLC is in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

There are no M/SDBE or W/SDBE goals.

WORKFORCE STATISTICS

Workforce statistics for Fire Recovery USA, LLC are as follows:

Total Workforce	9	
Total Females	4	(44%)
Total Males	5	(56%)
Black Males	0	(0%)
White Males	5	(56%)
Other Males	0	(0%)
Black Females	0	(0%)
White Females	4	(44%)
Other Females	0	(0%)